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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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08/674,726 07/02/96 MOSKOWITZ S 2377/11

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LM61/0409

EXAMINER

KIZOU, H

ART UNIT

PAPER NUMBER

2732

DATE MAILED:

04/09/98

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
08/674,726

Applicant(s)
Moskowitz et al.

Examiner
Hassan Kizou

Group Art Unit
2732



☐ Responsive to communication(s) filed on _____.

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire three month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) 1-15 is/are pending in the application.

Of the above, claim(s) 1, 2, and 7-15 is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 3-6 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☒ Claims 1-15 are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been
☐ received.

☐ received in Application No. (Series Code/Serial Number) _____.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____.

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 4 & 5

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

DETAILED ACTION

Election/Restriction

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:
 - I. Claims 1 and 2, drawn to the cost of transmission of digital information, classified in class 379, subclass 114.
 - II. Claims 3-6, drawn to creating bandwidth "securitization instruments" and trading the "security instruments" to determine bandwidth allocation, classified in class 705, subclass 37.
 - III. Claims 7, 8 and 10-15, drawn to combining into digital information additional information such as digital watermark keys insure the authenticity of the digital information, classified in class 380, subclass 21.
 - IV. Claim 9, drawn to optimizing search operation, classified in class 707, subclass 3.

2. The inventions are distinct, each from the other because of the following reasons:

Inventions I, II, III and IV are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct from each other if they are shown to be separately usable. In the instant case, invention I, independently from inventions II, III and IV, has separate utility such as the evaluation of the cost of downloading software from a vendor, which cost depends on the value of the software itself and the communication transmission charges.

Invention II, independently from inventions I, III and IV, has separate utility such as the creation of "bandwidth securitization instrument" to facilitate the free trade of bandwidth. Invention III, independently from inventions I, II and IV, has separate utility such as embedding specific

identifying information into data to enable authentication of the data. Invention IV, independently from inventions I, II and III, has separate utility such as using the steps recited in the claim to optimize search for a specific piece of information that is included in transmitted data. See MPEP § 806.05(d).

3. During a telephone conversation with Mark Supko on March 23, 1998 a provisional election was made with traverse to prosecute the invention of group II, claims 3-6. Affirmation of this election must be made by applicant in replying to this Office action. Claims 1, 2, and 7-15 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

4. Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a petition under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

Specification

5. The disclosure is objected to because of the following informalities: the missing serial numbers, as well as the status (if patented or abandoned) of all applications cited on page 1, 7 and 8 should be provided.

Appropriate correction is required.

6. The lengthy specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 3-6 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 3-6 respectively define the following subject matters:

“valuing bandwidth allocation as a scarce commodity” (claim 3); “facilitating an electronic market for free trading of said bandwidth securitization instruments independently of any particular digital information packages ultimately transferred using said bandwidth” (claim 4); “determining a supply of bandwidth sources; determining a plurality of bandwidth securitization instruments which allocate the bandwidth resources; and determining an estimated demand at a given moment in time for bandwidth resources” (claim 5); “a) obtaining a minimum standard price; b) determining an estimated convenience premium of the bandwidth securitization security instrument with said minimum standard price; c) determining a probability of failure to effect an exercise of the security; d) determining an exercise period of the security instrument corresponding to time during which it may be executed or redeemed; and e) determining a price of the bandwidth securitization security instrument based on said steps a), b), c) and d)” (claim

6). These subject matters, as best understood best, are directed to mere manipulation of abstract ideas.

Claim Rejections - 35 USC § 112

9. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

10. Claims 3-6 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is not clear what is meant by the following: “creating a bandwidth securitization instrument” (*claim 3*); “valuing a price and a convenience premium of bandwidth securitization instruments” (*claim 4*); “computing a convenience premium”, “determining a plurality of securitization instruments which allocate the bandwidth resources” (*claim 5*); “computing a price of a bandwidth securitization security instrument”, “determining an estimated convenience premium of the bandwidth securitization security instrument”, “determining a probability of failure to effect an exercise of the security”, “determining an exercise period of the security instrument corresponding to a time during which it may be executed or redeemed” and “determining a price for the bandwidth securitization security instrument” (*claim 6*).

Claim 5 recites seemingly uncorrelated steps of determining different parameters; and it is not clear how these steps relate to the purpose of computing a convenience premium stated in the preamble.

11. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

12. Claims 5 and 6 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The specification does not adequately describe how a convenience premium is computed by the three determining steps recited in claim 5. Similarly, the specification does not adequately describe what is meant by *securitization security instrument*, by *computing a price of a bandwidth securitization security instrument*, and how the computation is done according to steps recited in claim 6.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Fujisaki (US 4789928), Lee (US 5243515), Clearwater (US 5394324), Geiner et al (US 5487168) and Miller et al (US 5640569) are cited to show the state of the art.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to *Hassan Kizou* whose telephone number is (703) 305-4744. The examiner can normally be reached on *Monday through Friday* from 6:30 am to 3:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, *Douglas Olms*, can be reached on (703) 305-4703.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
Washington, D.C. 20231

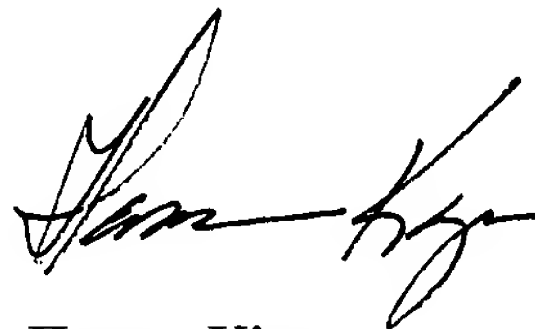
or faxed to:

(703) 308-9051, (for formal communications intended for entry)

Or:

(703) 308-5403 (for informal or draft communications, please label "PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park II, 2021 Crystal Drive, Arlington, VA., Sixth Floor (Receptionist).



Hassan Kizou
Primary Examiner

March 28, 1998